

## 20th Annual Report

# STATE BOARD OF HAIL INSURANCE

To Montana Grain  
Growers



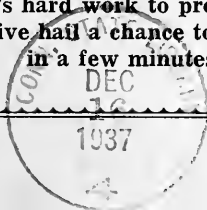
### 1936 BUSINESS SUMMARY

Total Risk Written.....	\$391,121.59
Premium charge .....	\$ 26,859.39
Losses paid .....	\$ 599.82
Policies issued .....	421
Loss claims filed .....	7
Total acres insured.....	59,159
Average insurance per acre.....	\$6.61
Average acres insured per farmer.....	141
Number of days with hail.....	5
Acres reported damaged.....	1,102
Loss ratio .....	0
Average cost of insurance.....	7%
Aver. cost per \$1000 of protection.....	\$68.67

### PAYMENTS ON STATE HAIL LOSSES CANNOT BE GARNISHEED OR ATTACHED BUT MAY BE ASSIGNED

The State Hail Insurance Fund has continued to pay all losses promptly despite severe storms in several recent years. The outlook is for good grain prices for 1937. We hope for better growing conditions and the pleasure of caring for the hail insurance that will be needed if crops are good.

After a year's hard work to produce your grain  
don't give hail a chance to destroy it  
in a few minutes.



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1936 hail losses were promptly paid in full, making the 18th successive year with all losses fully paid. Losses for 1936 were the lightest of all years.

Hail, excepting only drouth, continues to be the greatest hazard to growing crops. If 1937 rainfall returns to average or above, thousands of Montana grain growers will need protection against hail. If more rain falls it is likely there will be more hail and hence more need of hail insurance.

The Board of Hail Insurance has made all necessary preparations to promptly take care of all hail insurance applied for. County assessors have the proper forms on hand. When any hail losses occur they will be promptly adjusted by experienced adjusters.

The hail insurance fund contains about \$20,000 in cash at the start of the hail season. This money will be used for the first payments of losses during the summer. Collections from delinquent accounts during the year, plus payments on 1937 hail insurance, reasonably assures full payment of any losses that may occur during the season.

In all the years since the World War the hail insurance fund has furnished far-reaching relief to the grain growers over the state. All of those insuring have had the benefit of lower cost hail insurance. The saving has amounted to about \$20 on each \$1000 of hail insurance carried. Also, thousands have received loss payments after having their crops damaged or destroyed by hail.

The state hail insurance fund has been operated with a minimum of technicality which has enabled many to get hail insurance which could not have been obtained elsewhere. Also, the furnishing of hail insurance by the state fund has resulted in better terms and lower cost hail insurance from other agencies furnishing hail insurance.

The state fund is mutual or co-operative. It has paid back to the farmers in loss payments 89% of all of the money paid in. This is far more than can be paid by any other method. The fund belongs to those who insure and is managed by a Board of five, three of whom are appointed on the recommendation of farm organizations.

All grain growers who need hail insurance during 1937 are urged to apply for it thru their county assessors.


### **CASH PAYMENT FOR HAIL INSURANCE**

Nearly one-fourth of those insuring in 1936 paid cash for their hail insurance. This allowed them a 4% discount on the amount charged.

Cash payment greatly simplifies the carrying of hail insurance. It does away with crop mortgages and waivers and gives the grower full control of the money paid on his loss.

All growers should arrange to pay cash for their hail insurance if at all possible. Then if they suffer serious hail loss they will be enabled to continue operations with a minimum of inconvenience.

The tables on the following pages give many details on the operation of the state hail insurance fund. If anyone desires further information on the Montana Fund or of any other State please write the state office at Helena.



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## DETAIL STATEMENT—RISK, LEVY, LOSSES, LOSS RATIO

County—	1936 Risk Written	1936 Levy	1936 Losses Paid	1936 Loss Ratio	18-Year Average Loss Ratio	Average Cost 18 Years
Beaverhead					1%	7%
Big Horn	\$6,709.87	\$618.36			9	9
Blaine	900.00	72.00			4	7
Broadwater					2	7
Carbon	200.00	8.00			3	10
Carter					3	7
Cascade	62,156.50	3,693.45	\$61.62	0	5	8
Chouteau	35,801.50	2,517.69			6	8
Custer	550.00	49.50			9	8
Daniels	16,524.50	1,288.81			6	7
Dawson	600.00	12.00			8	8
Fallon	950.00	38.00			4	7
Fergus	3,207.50	285.53			8	9
Flathead					4	6
Gallatin	12,850.00	1,056.97	18.00	0	10	7
Garfield					8	8
Glacier	29,276.25	1,790.28			3	8
Golden Valley	1,200.00	120.00			15	10
Hill	8,152.00	524.53			3	7
Jefferson					3	7
Judith Basin	3,550.00	301.50			5	9
Lake	3,187.50	165.94			0	5
Lewis and Clark	565.00	39.55			0	8
Liberty	22,585.00	1,323.33			2	8
McCone	17,815.00	1,163.60			3	7
Madison	915.00	67.43			5	6
Meagher					12	9
Musselshell					16	9
Park					16	9
Petroleum					3	8
Phillips	2,610.00	178.80			5	7
Pondera	37,050.07	2,584.93			7	8
Powder River					8	8
Prairie	1,800.00	42.00			8	7
Ravalli	4,051.00	286.05			0	7
Richland	1,570.00	125.60			4	8
Roosevelt	21,162.00	1,540.96			4	7
Rosebud					4	9
Sheridan	8,314.50	657.72			4	8
Stillwater	500.00	50.00			11	10
Sweet Grass					5	9
Teton	26,655.40	1,849.28			2	8
Toole	46,531.00	3,380.62	235.20	1	5	8
Treasure	800.00	44.10			10	8
Valley	800.00	64.00			4	8
Wheatland					10	10
Wibaux	5,000.00	298.00	72.00	0	12	7
Yellowstone	6,022.00	564.86	213.00	4	9	9
	\$391,121.59	\$26,859.39	\$599.82	0	6.4%	8%

17 YEAR SUMMARY  
1920-1936 Inclusive

Total risk written.....	\$22,800,021
Tax levy .....	\$ 1,834,454
Number farmers insured.....	21,176
Total acres insured.....	2,743,909
Average acreage per application.....	129
Average risk per acre.....	\$8.31
Losses paid .....	\$1,463,923
Loss ratio .....	6.42%
Aver. cost per \$1000 of protection.....	\$80.45
Number losses adjusted.....	4,732
Operating expense ratio.....	10.9%

ADMINISTRATION ACCOUNT FOR 1936  
January 1 - December 31 Inc.

1. State office salaries and traveling expenses (chairman, clerk hire, board members' per diem and expenses).....	\$4,955.82
2. General office expense (printing, stationery, supplies, postage, telephone, telegraph, equipment, insurance) .....	1,627.48
3. Hail adjusters' per diem and expenses.....	951.49
4. Advertising .....	188.10
5. Office rent .....	300.00
6. Collection expense .....	524.54
7. Car maintenance .....	239.40
	\$8,786.83

# HOW TO GET STATE HAIL INSURANCE

**APPLY TO THE ASSESSOR OF THE COUNTY IN WHICH THE GRAIN TO BE INSURED IS GROWING.**

**Directions for Land Owners.** Owners of land not mortgaged and with taxes not delinquent more than one year may obtain hail insurance by merely filling out an application and filing it with the assessor. He has instructions to receive all such applications and to make the charge for them against the land only. The crop lien provision in the application is not to be used and the application is not to be filed with the county clerk and recorder.

**Directions for Owners of Mortgaged Land or Land with Not More Than One Year's Delinquent Taxes.** If the land taxes are not delinquent more than one year, or if the land is not under foreclosure, the applicant is not required to furnish waivers for crop mortgages of record when hail insurance is issued. However, the application for hail insurance contains a crop lien and is to be filed with the county clerk.

**Directions for Owners of Mortgaged Land or Land with More Than One Year's Delinquent Taxes.** If the land taxes are delinquent more than one year, or if the land is under foreclosure, then waivers must be obtained for crop mortgages of record when hail insurance is applied for, if the crop mortgages are for other purposes than feed or seed.

**Directions for Tenants.** Any tenant may secure State hail insurance by furnishing a crop lien subject only to prior liens for feed and seed. The crop lien is made a part of the application. If prior liens are a bar to insuring, **THE TENANT MUST SECURE A WAIVER FROM THE MORTGAGEE RANKING FIRST AFTER FEED OR SEED MORTGAGES AND MUST FILE IT WITH HIS APPLICATION FOR HAIL INSURANCE.** The waiver must be for the maximum charge for the hail insurance. Tenants may also secure hail insurance by having the owner of the land sign consent for the hail tax to go against the land. Mortgages for feed or seed require no waivers.

**4% Discount for Cash Payment for Hail Insurance.** When any grain grower pays cash for his hail insurance he will be charged the regular maximum charge for his county, less 4%. If a reduction is made later in the rate for the year he will be refunded the proper amount from the state office at Helena.

**Waivers May Delay Hail Insurance.** Grain growers should start early to secure waivers when they know they will be required before hail insurance may be obtained. Failure to do so may result in serious loss by hail during the time the waiver is sought. If any grower has an agreement with the mortgagee to carry hail insurance he should arrange a definite agreement on how the proceeds of any hail loss may be divided.

**When to Insure.** Experience shows that grain crops should not be insured until they start stemming or reach the height of about 6 inches, and then growing conditions should be favorable. The same care should be taken when insuring special crops. Hail insurance is

needed now as badly as in any former year but care should be taken to use it more as a matter of protection than speculation.

**How Much Insurance Per Acre?** For 1937 the Board will allow hail insurance on grain in the various counties for any amount desired up to \$10 per acre. About 80% of those insuring are careful about the amount of protection. We appeal to those who have not been careful, to use greater care for 1937.

**Hail Insurance on Special Crops.** Not more than the amount shown after each of the following crops will be written per acre for 1937:

Beans, irrigated .....	\$20	Sweet Clover Seed.....	\$10
Beans, non-irrigated ....	\$ 7	Alfalfa Seed .....	\$12
Peas .....	\$20	Mustard and Corn.....	\$12
Potatoes .....	\$20	Sugar Beets .....	\$20

**Reduced Rates in Case of Crop Failure.** When any insured crop is badly damaged or destroyed by other means than hail, the hail insurance may be terminated and the cost of the insurance will be reduced as shown by paragraphs 17 and 18 on the application and policy. Application for reduction must be made to the state office at Helena.

**Adjustment of Losses.** When any grower is sure his insured grain has suffered loss exceeding 5% he should promptly report his loss to the state office at Helena. An experienced adjuster will examine the grain within about a week. The adjusters are farmers who understand the effect of hail on grain and will give each claim very careful consideration. Haste in reporting losses at harvest time is urged.

**Payment of Losses.** The hail insurance law provides that within 40 days of the occurrence of the loss, payment shall be made as follows: One-half the amount of the adjustment, less the amount owed for hail insurance, shall then be sent the insured. The final payment will be made as soon as practical after the close of the hail season. In recent years the first payment has been made in August and final payments mostly in September or in October.

**Montana State Hail Insurance Is a Mutual Fund.** All money paid into the fund is used for hail insurance purposes only. A small part is used for operating expenses and the balance is used for payment of losses as needed. All losses have been paid in full from 1919 to 1936, inclusive. Payment of 1937 losses is backed by the cash on hand, collections from 1937 policies and collections from delinquent accounts. These sources are more than sufficient to pay all losses in full, unless they should greatly exceed those of any former year.



The picture is of my 43-acre field of corn taken one hour after the hail storm. The corn was about 5 feet tall and would have made over 3 loads per acre.

The hail stones were as large as tea cups. The picture shows me standing in the field on my farm 50 miles northeast of Circle in McCone County.

(signed) Chris Olson,  
Vida, Montana.

The storm Mr. Olson writes about occurred July 26, 1935. It did great damage to all growing crops in a strip several miles wide starting near Malta and ending near Sidney. 1936 was almost free of hail. Judging from the record of hail in Montana, however, bad hail storms are likely to occur frequently in the growing season in any part of Montana east of the Continental Divide. The only protection from these severe storms is furnished thru hail insurance.

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#### **MEMBERS OF STATE BOARD OF HAIL INSURANCE**

E. K. Bowman, Chairman, Helena  
J. T. Sparling, Secretary, Commissioner of Agriculture  
Ray N. Shannon, member, State Treasurer  
B. J. Anderson, member, Fairview  
P. J. Anderson, member, Conrad

It is the duty of county assessors to furnish grain growers with full information regarding State hail insurance. This folder is issued for the purpose of assisting them in furnishing it.

**HAIL INSURANCE IS A NECESSARY COST  
OF RAISING GRAIN**

Issued by  
**STATE BOARD OF HAIL INSURANCE**  
Helena, Montana

